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ABSTRACT

In 1997, the Urban Institute surveyed state foster care administrators to gather information on state policies for identifying, licensing, and financially supporting kinship care families. For purposes of this brief, "kinship care" refers to a child whose placement was arranged by child welfare authorities. States were found to differ in three primary ways: (1) who they consider eligible caregivers; (2) how they license or approve family members for caregiving; and (3) how they support kinship families within the child welfare system. Regardless of how states define kin, almost all give preference to relatives over non-kin foster parents and many work actively to recruit family members to care for children in the foster care system. Policies on treatment of the kinship care family also vary among states, but in general (41 states), kinship families are held to a less stringent standard for foster family eligibility than nonrelated foster families. However, about half of these states do not provide foster care payments to kinship families meeting a lower standard, resulting in large differences in the resources provided to public kinship care families. Federal and state kinship care policies are in flux. In a rapidly changing policy environment, with continuing interest in kinship care, states are likely to continue to face a complex array of options and incentives for financing public and private kinship care. (Contains 11 endnotes.) (SLD)

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THE URBAN INSTITUTE

NEW FEDERALISM
ISSUES AND OPTIONS FOR STATES

A product of "Assessing the New Federalism," an Urban Institute Program to Assess Changing Social Policies

Family Care or Foster Care? How State Policies Affect Kinship Caregivers

Shelley Waters Boots
Rob Geen

Extended family members have long played a role in caring for children when their parents were unavailable to do so, a practice commonly referred to as "kinship care." While the state, through the child welfare system, has only recently begun to rely on relatives as foster parents for children at risk in their own homes, the practice grew substantially in the past decade. This growth, and federal legislation encouraging states to place foster children with family members, has thrust kinship care into the policy spotlight, igniting debates within the child welfare and welfare systems about how to publicly support kinship care families.

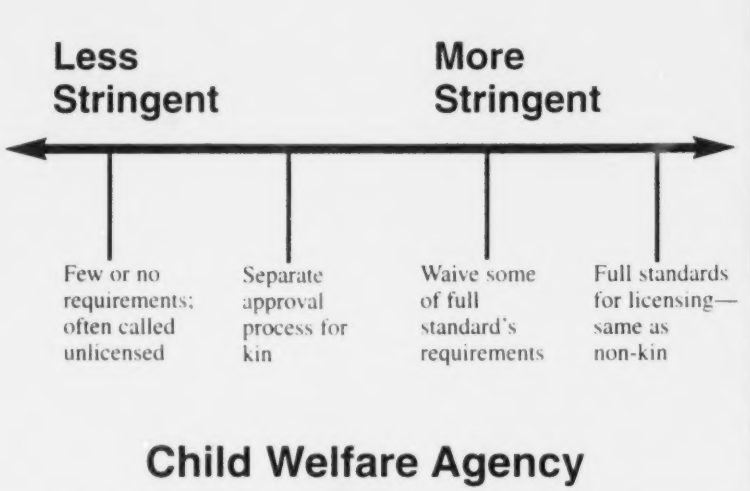
When the Adoption and Child Welfare Act of 1980 was passed, forming the basis of the federal foster care law, it was almost unheard of for a child's relative to act as a foster parent. More than two million children in the United States now live in kinship care arrangements; 10 percent of these, or approximately 200,000, are foster children.[1] Much of the growth in the use of kin as foster parents occurred in the late 1980s and early 1990s; for example, between 1986 and 1990 the proportion of children in state-supported kinship care increased from 18 to 31 percent.[2] Though experts cannot pinpoint the cause of the increase—whether more children are entering kinship care arrangements or more kinship care arrangements are being formally recognized by the state—the upward trend continues, with the majority of states reporting that the proportion of the foster care caseload accounted for by kinship care has increased since 1994.[3]

More than two million children in the United States now live in kinship care arrangements; 10 percent of these, or approximately 200,000, are foster children.

This growth and the high cost of foster care, which averaged $6,000 per child in 1996, pushed policymakers to take note of kinship care.[4] However, it was the 1996 welfare reform act that officially encouraged states to give relatives first priority in providing care for foster children, solidified the role of kinship care as a federal policy issue, and provoked discussion among policymakers as to how welfare policy would affect kinship care.[5]

During the 1996 welfare reform debate, child advocates pointed out potential unintended consequences of the welfare reform legislation that could influence the receipt of kinship care. Specifically, they noted that one particular type of welfare payment for which kinship care families were eligible, child-only grants, would not necessarily fall under the proposed new work requirements and time limits. Advocates raised the concern that parents might leave their children with relatives to avoid the new welfare requirements but still preserve assistance in the form of child-only

Figure 1
Public Kinship Care:
Requirements to Become a Foster Parent


Less Stringent
More Stringent
Few or no requirements; often called unlicensed
Separate approval process for kin
Waive some of full standard's requirements
Full standards for licensing—same as non-kin
Child Welfare Agency

grants.[6] They also worried that kinship care providers, who used to care for children informally, would seek assistance from the child welfare system if forced to meet welfare requirements.[7]

In 1997, the Urban Institute surveyed state foster care administrators to gather information on state policies for identifying, licensing, and financially supporting kinship care families. Previous to this study, little information existed on state kinship care policies.

Defining the Term "Kinship Care"

Because kinship care has many forms, it is helpful to think of it as a continuum of interventions and support. At one end are private kinship care families, with no contact at all with the child welfare system. In the middle are kinship care families known to the system but not formally a part of it, some of whom may be receiving support services. At the other end are families caring for children in state custody and receiving ongoing attention from the child welfare system. For the purposes of this brief, a "public" kinship care child refers to a child whose placement was arranged by child welfare authorities, whether or not the child was taken into custody by those authorities.

Policies Affecting Public Kinship Care Families

Our survey reveals the variations state child welfare agencies have developed in their policies for public kinship care. States can differ in three primary ways: (1) who they consider eligible caregivers, (2) how they license or approve family members for caregiving, and (3) how they support kinship families within the child welfare system.

Eligible Caregivers

The types of relatives who can provide care for foster children vary by state. Of the 50 states whose administrators responded to the Urban Institute kinship care survey on this question, 26 stated that their policies mandate that family members must be related to a child by blood or through marriage to a blood relative. Twenty include a variety of additional categories such as neighbors, godparents, and other adults who have a close relationship with the child, and the other four have no formal definition. Regardless of how states define kin, almost all give preference to relatives over non-kin foster parents, and many actively work to recruit family members to care for children in the foster care system.[8]

Licensing Caregivers

In order to care for a child in state custody, foster caregivers must first be licensed, or approved, by the state child welfare agency. The standards upon which kinship caregivers are assessed for licensure vary (figure 1). In states with the most stringent requirements, kinship families are subject to the same standards that govern non-kin foster families—they must be "fully licensed." Almost all states (44 out of 50 responding) reported that these families receive visits by caseworkers who provide supervision and intervention, just like non-kin foster parents. Fully licensed families are often eligible for all the benefits and supports available to a non-kin foster parent, including foster care maintenance payments, respite child care, and other support services.

Other states maintain less stringent requirements. For example, some kinship families meet all except a few of the licensing standards. States often waive specific licensure requirements (such as physical space or training) for kinship families, as long as they do not jeopardize the safety of the child. Other states license kinship families under a set of criteria established especially for them. Usually these standards are less stringent, focusing more on child safety and family support than on regulations that are difficult for some kin to meet and could prohibit a family from staying together. Some states allow relatives to care for children with minimal standards and minimal supervision—sometimes called unlicensed kinship care.

To clarify the different ways in which they evaluate kinship families, we asked states to specify the available options for licensing relative caregivers within their state. Most states (including the District of Columbia) offer more licensing options to kin than to non-kin foster parents. In 41 of the 51 states, for example, relatives have at least one licensing option besides the licensing standard applied to nonrelative foster care providers. In the remaining 10 states, family members can only care

for children in state custody if they comply with all state policies for foster caregivers.

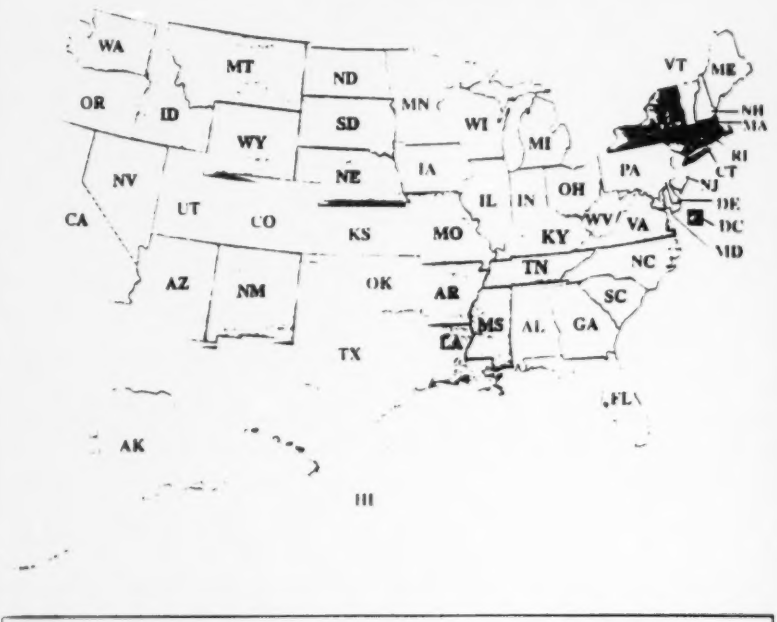
Many of the 41 states with more flexible requirements for kinship foster care have more than one licensing option for kinship homes. For instance, Maryland has two other options available for relatives besides a fully licensed standard: They can either get licensed by the foster care agency under less stringent criteria (and receive a foster care payment), or they can be considered an unlicensed home, meet even less stringent requirements (usually only safety requirements), and apply for welfare benefits. The licensing option a kinship caregiver chooses can be a function of family preferences as well as state policy.

Supporting Caregivers

Payment of kinship foster caregivers varies according to the licensing a caregiver receives (table 1). When relatives have the same licensing as non-kin caregivers, the vast majority of states allow them a full foster care payment.[9] As seen in figure 2, of the 41 states that offer a less stringent standard, 22 still provide a foster care payment to kinship caregivers. In the 19 states that do not provide foster care payments to these families, usually the only compensation available is some type of cash welfare grant, which in almost all states is less generous than a foster care payment.

Some states require kinship caregivers to meet additional criteria. For example, in California, no matter what licensing standard a family meets, if the children in the relative home are not from a poor family (as defined by the welfare eligibility of the home they left), the relative family cannot get a foster care payment, regardless of the relative family's own income. Missouri has even more complicated criteria for foster care payment eligibility. It specifies that all grandparent caregivers can receive a foster care payment, but any other type of relative can receive foster care payments only if they are caring for children who come from a poor family (also defined as welfare eligible).

Figure 2
Licensing Standards and Payments for Kinship Foster Parents



In both these states, all other kinship care families must rely on welfare for financial assistance.

Future Policy Challenges

Many factors determine how a kinship care family is treated. Policies vary from state to state, and even within a state different families may receive a wide range of care. The survey of state child welfare administrators underscores that kinship families in most states (41) are held to a less stringent standard for foster family eligibility than nonrelative foster families. However, about half these states do not provide foster care payments to the kinship families meeting a lower standard, leaving them to apply for welfare or other government assistance, which is typically less generous.

Because foster care payments are usually higher than welfare grants, these payment differences result in stark differences in the resources provided to public kinship care families within and across states. For example, in Maryland, a child being cared for by a relative licensed as a foster caregiver would have received $535 to $550 a month for care in 1996. A similar child in the same state being cared for by a welfare-assisted relative would have received only $165 a month for a basic child-only grant. These differences become even greater when there are multiple siblings in care: the welfare payment is prorated on a declining scale when there are multiple children, whereas foster care payments per child remain constant regardless of the number of children in the household. Two children living in Maryland with relatives licensed by the foster care system would have received $1,070 to $1,100 a month, but two children financed by that state's Aid to Families with Dependent Children (AFDC) program in 1996 would have received $292 a month.[10]

Further, a public kinship care family might be paid a foster care payment in one state while the same family licensed by the same standards

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Table 1
1996 State Kinship Care Payments

State	Kinship caregivers subject to less stringent licensing standard receive foster care payment.		Kinship caregivers subject to less stringent licensing standard receive AFDC payment. Those who meet regular foster care requirements receive foster care payment.		Kinship caregivers who are "fully licensed," or meet regular foster care requirements, receive foster care payment.	
	Foster Care Payment ($)*	Alternative Payment ($)**	Foster Care Payment ($)*	Alternative Payment ($)**	Foster Care Payment ($)*	Alternative Payment ($)**
Alabama					225	225
Alaska			577	452		
Arizona	422	422				
Arkansas	433	433				
California	410	293[a]				
Colorado					384	384
Connecticut	597	597				
Delaware			383	201		
Dist. of Columbia	467	262[b]				
Florida					321	321
Georgia			325	155		
Hawaii	529	529				
Idaho	279	279				
Illinois			380	269[c]		
Indiana					462	462
Iowa					411	411
Kansas					332	332
Kentucky	330	330				
Louisiana	348	72[b]				
Maine			349	118		
Maryland			540	165		
Massachusetts	441	441				
Michigan			388	276[d]		
Minnesota					456	456
Mississippi	260	60[b]				
Missouri	257	136[b]				
Montana	375	952				
Nebraska	394	394				
Nevada	324	324				
New Hampshire			353	414[c]		
New Jersey			329	162[c]		
New Mexico	339	339				
New York	439	439				
North Carolina			365	181		
North Dakota			371	110		
Ohio			544	303[d]		
Oklahoma			360	112		
Oregon			349	209		
Pennsylvania					393	393
Rhode Island	294***	327[b]				
South Carolina			252	118		
South Dakota	377	173[b]				
Tennessee	328	328				
Texas					482	482
Utah					319	319
Vermont			445	357		
Virginia	319	319				
Washington			373	349		
West Virginia			400	149		
Wisconsin			318	215		
Wyoming	400	400				

Sources: Average foster care payment rate represents the average payment in 1996 across ages 2, 9, and 16 as cited in the American Public Welfare Association's W-Memo, January–February 1998. AFDC rates are for one child, based on data from an annual benefit survey by the Congressional Research Service and from Urban Institute tabulations of AFDC state plan information.

Notes:

* Per child per month.

** Maximum 1996 AFDC rate for one child, except where otherwise noted. Unlike foster care payments, AFDC payments are prorated based on the number of children.

*** Amount for 1995; 1996 unavailable.

a. Kinship caregivers can receive foster care payment if children come from a poor home. All others are unlicensed and can receive AFDC.

b. In addition, kinship caregivers can choose to be unlicensed and receive AFDC.

c. Less stringent licensing pays AFDC standard-of-need rate.

d. Those who meet regular foster care requirements receive foster care payment if children come from a poor home. Counties have the option to pay regular foster care payment to kinship caregivers for children not from poor homes.

continued

might only be eligible for welfare in another state. In New Jersey (like California), for example, relatives caring for children who did not come from a poor home cannot receive foster care payments; they can only obtain welfare (averaging $162 for one child in 1996), regardless of what licensing standards they are qualified to meet. In New York, the same family can apply for licensing and, if they meet the standards, receive a foster care payment (averaging $439 to $474 per child in 1996) for the children in their care.

Since the federal government began providing states with foster care funds, it has carefully regulated states' foster care practices, detailing what states must do to receive federal reimbursement for certain state expenditures. The federal government has not developed specific regulations on whether or how states can treat kinship care families who are eligible for foster care differently from those who are not. As this brief has illustrated, many states have used the flexibility within existing federal foster care regulations to design different kinship care licensing standards.

Federal and state kinship care policies are in flux. Since our survey, additional states have created or are considering creating alternative kinship care licensing standards and payment options. Some states have created new kinship care financing schemes through their Temporary Assistance for Needy Families programs.[11] At the same time, many states are urging the federal government to reform federal regulations to allow states greater flexibility in serving kinship care arrangements while maintaining eligibility for foster care reimbursement. In 1997, as part of the Adoption and Safe Families Act, Congress instructed the U.S. Department of Health and Human Services to convene an advisory panel on kinship care, produce a report that documents the extent to which children in foster care are placed in the care of a relative, and recommend any necessary federal policy changes. In addition to altering foster care regulations, Congress is also considering block granting all federal child welfare funds, giving states more discretion in spending these funds. In this rapidly changing policy environment, states will likely continue to face a complex array of options and incentives for financing both public and private kinship care.

Notes

1. U.S. Census Bureau, March 1998, and Urban Institute analysis of data from the 1998 National Survey of America's Families.

2. Kusserov, Richard. 1992. *Using Relatives for Foster Care.* Office of Inspector General. Based on results from 25 states that reported data.

3. Urban Institute survey, 1997.

4. Geen, Rob, Shelley Waters Boots, and Karen C. Tumlin. 1999. *The Cost of Protecting Vulnerable Children: Understanding the Complexities of Federal, State, and Local Child Welfare Spending.* Washington, D.C.: Urban Institute Press.

5. Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states shall "consider giving preference to an adult relative over a nonrelated caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant state child protection standards."

6. In the Notice of Proposed Rulemaking for implementation of the Temporary Assistance for Needy Families (TANF) program, the U.S. Department of Health and Human Services notes that it was "concerned that states might be able to avoid the work participation rates and time limits by excluding adults (particularly parents) from the eligible cases. Given the flexibility available to states under the statute and regulations, it appears possible that states could protect themselves from the requirement and associated penalty risk by converting regular welfare cases into child-only cases."

7. Under the enacted federal welfare reform legislation, states have the flexibility to decide whether to continue to provide child-only grants to kinship care families and whether to require kinship providers to meet work requirements and be subject to time limits.

8. In placing children in foster care, 49 states report that they give preference to kin over non-kin foster parents and 31 states report doing so for more than five years. Results from 1997 Urban Institute survey.

9. Only a few states (California, Oregon, New Jersey) make an exception to this rule—prohibiting families who do not care for children coming from a poor home from receiving the full foster care payment. Instead, these families usually receive assistance in applying for AFDC. In Michigan, counties decide whether or not to allow kin caring for noneligible children to be fully licensed.

10. Data from an annual benefit survey by the Congressional Research Service and from Urban Institute tabulations of AFDC state plan information.

11. For example, under a 1996/1997 component of their welfare waiver, Wisconsin developed a kinship care payment system separate from its foster care system, which provides an ongoing subsidy to kinship families. Wisconsin's Kinship Care Program is funded through the state income maintenance program and allows the state to support public and private kinship caregivers. Under the program, families are still subject to a review every 12 months to ensure that safety issues are properly addressed. In Florida, TANF dollars are being used to fund the Relative Care Giver Program, which allows kin caring for children who may otherwise go into the foster care system to receive payments of up to 80 percent of the foster care rate.

Notes from table 1, continued

e. Respondents from New Hampshire said that although the full AFDC amount can be up to $414 per child, most kin are not eligible for the shelter costs portion of the AFDC grant. Instead, families receive a benefit level of $171 per child for a child-only grant. Therefore, for many families in New Hampshire, there might have been a financial incentive to receive foster care rather than AFDC.

f. Those who meet regular foster care requirements receive foster care payment if children come from a poor home.

g. Less stringent licensing pays AFDC plus $100 for a maximum of six months.

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Shelley Waters Boots was a research associate in the Urban Institute's Population Studies Center. Her research focused on child welfare, child care, child support, and welfare reform. For the *Assessing the New Federalism* project, she led a team that collected and analyzed the kinship care data used in this policy brief. Ms. Boots is currently the director of research for the California Child Care Resource and Referral Network.

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This series is a product of Assessing the New Federalism, *a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.*

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This series is dedicated to the memory of Steven D. Gold, who was codirector of Assessing the New Federalism *until his death in August 1996.*

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